



U.S. Department of Justice
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Western District of New York

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PRESS RELEASE

June 10, 2005

RE: UNITED STATES v. WALTER J. BUCHHOLZ

Acting United States Attorney Kathleen M. Mehltrittter announced today that Walter J. Buchholz, 67, of 55 Rumson Road in Amherst, New York, pled guilty to mail fraud and to violating the Digital Millenium Copyright Act (DMCA).

The guilty pleas were entered today before Senior U.S. District Judge John T. Elfvin. The maximum prison sentence is twenty years for the mail fraud conviction and five years for the DMCA count. Assistant U.S. Attorney Paul J. Campana said Buchholz was investigated by the Cyber Crime Squads of the FBI offices in San Jose, California, and Buffalo, New York. A two-count indictment was returned in San Jose on September 29, 2004, where Buchholz was charged with violating the DMCA and a federal statute prohibiting the unauthorized manufacture and distribution of satellite access devices. Buchholz also faced federal charges in Buffalo, and agreed to plead guilty in Buffalo to the charge from

the Northern District of California; specifically, the Digital Millennium Copyright Act offense, and to the mail fraud charge he faced in Buffalo for related conduct.

Both charges involve piracy of satellite television programming offered by DISH Network to paying customers, and trafficking in the devices necessary to steal satellite programming. According to Campana and Assistant U.S. Attorney Mark Krotoski of the Computer Hacking and Intellectual Property Unit (CHIP) in the U.S. Attorney's Office in San Jose, and as stated in papers presented during today's proceedings in Buffalo, DISH Network offers entertainment and informational programming to homes and businesses on a subscription and pay-per-view basis. DISH Network electronically "scrambles" its satellite transmissions in order to prevent unauthorized viewing of its programming. The encrypted satellite signals are decrypted by conditional access cards called "Smart Cards." Smart Cards are non-transferrable.

The prosecutors said DISH Network customers are required to purchase or lease satellite equipment, which includes Smart Cards, which have microprocessors embedded in them, and which decrypt the

satellite signals and thus allow paying customers to view the programming in a descrambled format. Counterfeit or unauthorized Smart Cards enable users to steal and view the satellite programming without paying subscriber fees. Buchholz admitted to manufacturing and distributing reprogrammed and unauthorized Smart Cards, which were used to steal satellite programming from DISH Network.

As a result of trafficking in these devices, Buchholz unlawfully received approximately \$308,000 from July 2002 through September 2004.

The guilty pleas resulted from investigations by the Cyber Squads of the Federal Bureau of Investigation in Buffalo (under the direction of Special Agent In-Charge Peter J. Ahearn) and San Jose, California.

Judge Elfvin will impose sentence in Buffalo on September 23, 2005.